

# EXHIBIT B

DEPOSITION OF KRISTINE SCHARES, 10/28/2014

1 A. I guess if they wonder, they should have  
2 asked.

3 Q. So it's the policyholder's responsibility?

4 A. No.

5 MR. DeNURE: Objection, foundation.

6 A. No.

7 Q. Okay. Whose responsibility is it?

8 A. We would gladly pay for those records.

9 Q. Okay. Is it United Fire's -- Should  
10 United Fire inform its policyholder that it will pay  
11 the costs of obtaining medical records if the  
12 policyholder gets them his or herself?

13 A. I have trouble with your question, because  
14 if we were asked, we would have advised that.  
15 Generally -- Generally we don't have any problems.  
16 99.9 percent of the time there are no issues with a  
17 medical authorization being signed or medical records  
18 being received, and we pay for those records each  
19 and every time. So this isn't a normal situation.

20 Q. Is that a yes or a no?

21 A. No.

22 Q. Fair enough. And just so that I know I'm  
23 clear, you would accept a -- would you accept a  
24 medical authorization prepared by a policyholder?

25 A. If through that authorization we achieved

DEPOSITION OF KRISTINE SCHARES, 10/28/2014

1 Q. What kind of form is that?

2 A. Hospital billing, a health insurance claim  
3 form.

4 Q. Did United Fire receive those frequently?

5 A. Yes.

6 Q. From multiple providers?

7 A. (Witness nods head.) Multiple vendors,  
8 yes.

9 Q. Okay. Sorry. Multiple vendors. So  
10 multiple vendors use this form?

11 A. Yes.

12 Q. Okay. And you see there in the bottom  
13 right-hand corner where it has OMB, and there's an  
14 OMB number there, isn't there?

15 A. Yes, there is.

16 Q. Okay. And do you see in the bottom  
17 left-hand corner where it says, NUCC instruction  
18 manual available at nucc.org?

19 A. Uh-huh.

20 Q. Okay. Do you train your direct reports  
21 and their direct reports on how this form is supposed  
22 to be interpreted?

23 A. We may review it together, but --

24 Q. Do you have the instruction manual for this  
25 form?

DEPOSITION OF KRISTINE SCHARES, 10/28/2014

1 A. No.

2 Q. Have you ever read the instruction manual  
3 for this form?

4 A. No.

5 Q. I'm going to have you take a look at  
6 option 12. Do you see option 12 there on the left  
7 side? Where it has, signature on file.

8 A. Uh-huh.

9 MR. DeNURE: Box 12?

10 MR. TRZYNKA: Box 12.

11 Q. Would you read that section.

12 A. Read back of form before completing and  
13 signing this form. Patient's or authorized person's  
14 signature. I authorize the release of any medical  
15 records or other information necessary to process  
16 this claim. I also request payment of government  
17 benefits either by (sic) myself or to the party who  
18 accepts assignment below.

19 Q. Okay. Is that a medical authorization?

20 A. It --

21 MR. DeNURE: Objection, calls for a legal  
22 conclusion.

23 Answer if you know, Kristine.

24 A. I highly doubt this (indicating) would  
25 suffice. I don't know. I don't know. It reads as

DEPOSITION OF KRISTINE SCHARES, 10/28/2014

1 such, but --

2 Q. Why don't you know?

3 A. Because we've never sent a bill to a  
4 provider and said, hey, this is signed, so provide  
5 us the records.

6 Q. Why haven't you?

7 A. Because it's our procedure to obtain a  
8 medical authorization from the injured individual --

9 Q. Is it your --

10 A. -- to obtain records.

11 Q. And is that because it's your procedure to  
12 rely exclusively on the forms that you prepare?

13 A. It's how we've learned to process their  
14 medical claim.

15 Q. And how did you learn to process their  
16 medical claim in that specific way?

17 A. It's just the guidelines. If you have a  
18 med pay claim, you send out a med auth, and then when  
19 you get the auth back, you send a request for medical  
20 records.

21 Q. And who devised -- Who developed that  
22 guideline?

23 A. It's been the procedure since I've worked  
24 in claims, which has been since '97.

25 Q. So it's been the procedure of United Fire

DEPOSITION OF KRISTINE SCHARES, 10/28/2014

1 that is -- the adjuster would handle. There would be  
2 no expense.

3 Q. No expenses with subrogation, is that your  
4 claim?

5 MR. DeNURE: Well --

6 A. For that process, yes.

7 Q. On a first-party, although there is no  
8 subrogation expenses.

9 A. If we handle it internally by our adjuster,  
10 that is correct.

11 Q. Are there subrogation expenses if there's  
12 an attorney involved?

13 A. Yes.

14 Q. Does United Fire make any efforts to reduce  
15 subrogation expenses?

16 A. We are cognizant of what they are, and we  
17 attempt to ensure that our expenses are appropriate.

18 Q. Is that a yes or a no?

19 A. Yes.

20 Q. Does United Fire do anything to try and  
21 reduce medical records expenses?

22 A. No.

23 Q. It's not one of the loss adjustment  
24 expenses that United Fire tries to control?

25 A. We attempt -- no, but I want to clarify,

DEPOSITION OF KRISTINE SCHARES, 10/28/2014

1 because we are cognizant of what we spend, but I have  
2 never told someone not to request records because  
3 there's an expense incurred, so --

4 Q. Are you aware that medical records expense  
5 is one of the loss adjustment expenses that was a  
6 goal for reduction in 2010?

7 A. Yes, I am.

8 Q. Are you aware that that was one of the  
9 loss adjustment expenses that was a goal to reduce  
10 in 2011?

11 A. It is a loss adjustment expense, yes.

12 Q. Were you aware that that was one of the  
13 goals in 2011?

14 A. Specific to medical?

15 Q. Specific to -- That it was one of the  
16 loss adjustment expenses included in the goals for  
17 reduction of loss adjustment expenses in 2011.

18 A. Yes.

19 Q. How do you know that?

20 A. I believe the goal is to reduce expenses,  
21 to pay what's appropriate. We've never talked  
22 specifically about the medical expense, my boss and  
23 I, so --

24 Q. Sure.

25 MR. TRZYNSKA: Eric, if you don't mind,

DEPOSITION OF KRISTINE SCHARES, 10/28/2014

1 A. (Witness complies.)

2 Q. This says, this con -- Okay. Sorry.  
3 After the patient's name, address, date of birth,  
4 et cetera, in all caps it says, this consent to  
5 release information is limited to the following, and  
6 box 1 is checked, and what are the dates on that?

7 A. 5-24-11 to present, so the date of the loss  
8 to the present date.

9 Q. Is United -- Is Sherri concerned about  
10 preexisting records?

11 A. No.

12 Q. Is Sherri concerned about -- After your  
13 review of 108, 110 and 113, is Sherri, Roberta or  
14 anyone on this claim concerned about any records  
15 other than the chiropractic records from Dr. Lanpher?

16 A. No.

17 Q. How do we know that?

18 A. Because that's who we're submitting the  
19 request to. I mean -- And we've told her that in  
20 this letter (indicating).

21 Q. You advised her of it in the letter?  
22 Sherri advised Debbie exactly the reason for the  
23 medical authorization, is that accurate?

24 A. Yes.

25 Q. And as a claims branch manager, is that



DEPOSITION OF KRISTINE SCHARES, 10/28/2014

1 A. Three years.

2 Q. You would pay any bills related to the  
3 accident that was incurred within three years of this  
4 accident, would you not?

5 A. Which was related to the automobile  
6 accident, yes.

7 Q. And we know that it's only records related  
8 to the automobile accident, because that's  
9 specifically advised to Ms. Plucker in paragraph 3  
10 of UF 108?

11 A. Yes.

12 MR. DeNURE: I don't have any further  
13 questions. Thank you.

14 REDIRECT EXAMINATION

15 BY MR. TRZYNKA:

16 Q. Let's take a look at UF 108.

17 A. (Witness complies.)

18 Q. Does that letter tell Ms. Plucker that the  
19 medical authorization only allows United Fire to  
20 obtain records from -- related to the claim?

21 A. I believe so, yes, because it's the only  
22 treatment provider listed on the attachment, so yes.

23 Q. Would the authorization itself allow  
24 United Fire to obtain more than just the records  
25 associated with the claim?

DEPOSITION OF KRISTINE SCHARES, 10/28/2014

1 A. Without it being altered?

2 Q. On 110. On 110. Would that form  
3 (indicating) allow United Fire to obtain more than  
4 just the records associated with the claim?

5 MR. DeNURE: And I'll object to the form  
6 of the question in that it doesn't accurately reflect  
7 the date limitation on UF 110; the question doesn't.

8 Q. Okay. With -- I'm not talking about dates.  
9 I'm talking about providers.

10 A. This (indicating) would allow.

11 Q. It would allow United Fire to obtain more  
12 than just the medical records associated with the  
13 claim?

14 A. Yes.

15 MR. TRZYNKA: I have no further questions.

16 RECROSS EXAMINATION

17 BY MR. DeNURE:

18 Q. Were you going to finish his question?

19 A. We only request what's necessary. I mean,  
20 we -- how would we know where -- and why would we  
21 care? Our concern is that we get the records so we  
22 can process her medical bills, sir.

23 Q. Is that why you send out a treatment  
24 provider list?

25 A. Yes.